

ENTERED

November 21, 2022

Nathan Ochsner, Clerk

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§	
	§	Case No. 22-60043
FREE SPEECH SYSTEMS, LLC.,	§	Chapter 11 (Subchapter V)
	§	
Debtor.	§	

**SIXTH INTERIM ORDER AUTHORIZING DEBTOR'S USE OF CASH COLLATERAL AND
PROVIDING PARTIAL ADEQUATE PROTECTION**

On July 29, 2022, the above-captioned debtor and debtor-in-possession (the “Debtor” or “FSS”) in the above-captioned chapter 11 case (the “Case”), filed its *Emergency Motion for an Interim and Final Order (I) Authorizing the Use of Cash Collateral Pursuant to sections 105, 361, and 363 of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 4001(b) and (II) Granting Adequate Protection to the Pre-Petition Secured Lender* (the “Motion”). In the Motion, the Debtor requested, *inter alia*, entry of an interim order pursuant to Sections 105, 361, and 363 of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (the “Bankruptcy Code”), and in accordance with Rules 2002, 4001, and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), authorizing the Debtor’s use of Cash Collateral (as hereinafter defined), as set forth herein. The Court held an interim hearing on the Motion on August 3, 2022 (the “Interim Hearing”) and entered an order approving the interim use of cash collateral. (the “First Interim Order”). On August 24, 2022, the Court entered a *Second Interim Order Authorizing Debtor’s Use of Cash Collateral and Providing Partial Adequate Protection* (“Second Interim Order”) [Dkt. No. 98]. On September 13, 2022, the Court entered a *Third Interim Order Authorizing Debtor’s Use of Cash Collateral and Providing Partial Adequate Protection* (“Third Interim Order”) [Dkt. No. 151]. On October 13, 2022, the Court entered a *Fourth Interim Order Authorizing Debtor’s Use of Cash Collateral and Providing Partial Adequate Protection* (“Fourth Interim Order”) [Dkt. No. 238]. On October 26, 2022, the Court entered a *Fifth Interim Order Authorizing Debtor’s Use of Cash Collateral and Providing Partial Adequate Protection* (“Fifth Interim Order”) [Dkt. No. 258]. This order is the Sixth interim order (“Sixth Interim Order”), negotiated between the Debtor, PQPR and certain tort claimants pursuing litigation against the Debtor and others in Texas and Connecticut (the “Tort

Plaintiffs"). The Debtor and the Tort Plaintiffs reserve all rights relating to a final hearing on the use of cash collateral. The findings contained in the First Interim Order are incorporated by reference.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. Interim Use. The Court approves the interim use of cash collateral as set forth herein.
2. Interim Order. This Order shall be considered an interim cash collateral order and shall be binding upon all parties and upon all subsequently appointed court officers, including any trustee appointed in the Case under Chapter 7 or Chapter 11 of the Bankruptcy Code.
3. DIP Account. The Debtor shall maintain debtor in possession ("DIP") accounts at Axos Bank which accounts shall contain all operating revenues and any other source of cash constituting Cash Collateral, which is (or has been) generated by and is attributable to the Debtor's business (the "DIP Account"). All cash generated by the Debtor or from the Debtor's business or assets, including any cash held in any of the Debtor's pre-petition bank accounts, shall be immediately transferred by the Debtor to the DIP Account. The Debtor shall be prohibited from withdrawing or using Cash Collateral funds from the DIP Account except as provided for in the Budget, this Order, or pursuant to further order of the Court.
4. Terms of Cash Collateral Use. The Debtor is hereby authorized to use Cash Collateral during the period covered by this Sixth Interim Order (the "Interim Period") to pay the items set forth in the revised Budget attached to this Order as Exhibit A, and up to the respective aggregate amount of disbursements set forth in the Budget for any week during the Interim Period, subject to the Permitted Variance (as hereinafter defined). The Permitted Variance shall be defined as 10% per line item and 20% of the overall Budget. The Debtor shall not use, sell, or expend, directly or indirectly, the Cash Collateral except pursuant to the Budget and upon the terms and conditions set forth in this Order.
5. No Payments to Insiders. Other than as provided for in the Budget, the Debtor shall not make any payment to or for the benefit of any insider of the Debtor, as that term is defined in section 101(31) of the Bankruptcy Code. Other than as provided for in the Budget, no payments to any insider during the Interim Period shall exceed \$10,000.

6. Payment to PQPR for Inventory Purchase. The (i) rights of Creditors and parties in interest to object to the appropriateness of post-petition payments to PQPR for Inventory Purchases and file pleadings with the Court seeking to clawback the PQPR Payment as set forth in the First and Second Interim Cash Collateral Orders are fully preserved by this Order and (ii) the Debtor shall provide notice to creditors and parties in interest upon the upon payment in full of the \$500,000 inventory purchase payment to PQPR originally scheduled to be paid in the Second Interim Cash Collateral Order and the time for objections to that payment shall expire 30 days following the date the notice of final payment is filed with the Court.

7. Further Authorization. The Debtor is hereby authorized to enter into all agreements pursuant to the terms of this Order necessary to allow the Debtor to use Cash Collateral subject to the terms of this Order in the amounts and for the expenses set forth on the Budget. The Debtor is authorized to collect and receive all accounts receivable and other operating revenues and immediately deposit same in the DIP Account.

8. Taxes. Nothing in this Order shall be construed to grant PQPR (the “Pre-Petition Lender”) liens which are senior to pre- and post-petition statutory ad valorem real property tax liens. The Debtor shall remain current in all post-petition tax payments and reporting obligations, including, but not limited to, all ad valorem real property taxes and federal trust fund taxes.

9. Adequate Protection – Replacement Liens. The adequate protection and related carve out set forth in the First Second Third and Fourth Interim Orders are incorporated in the Sixth Interim Order.

10. Subsequent Modification of Order. If any or all of the provisions of this Order are hereafter modified, vacated or stayed, such modification, vacation or stay shall not affect the validity of any obligation, indebtedness or liability incurred by the Debtor from the Petition Date through the effective date of such modification, vacation or stay, or the validity or enforceability of any security interest, lien or priority authorized or created by this Order.

11. Credit Card Processing. The Debtor is authorized to remit to Blue Ascension, LLC its fulfillment charges as set forth in the *Emergency Motion to Amend Interim Order Authorizing the Use of Cash Collateral*, from the daily settlement contemporaneously with the distributions to FSS and PQPR. Proceeds

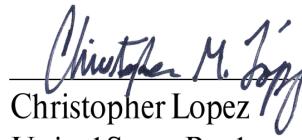
received by FSS for sales of PQPR inventory shall be held by FSS in trust pending distribution to PQPR by FSS.

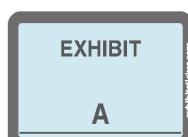
12. Reporting. The Debtor shall report each Tuesday for the preceding calendar week reflecting weekly sales and disbursement of the proceeds of those sales. A copy of the report shall be forwarded to the U.S. Trustee, the Subchapter V Trustee, counsel for PQPR and Jarrod Martin as a representative of the Tort Plaintiffs.

13. Reservation of Rights. Nothing herein shall constitute a finding or ruling by this Court that any alleged and disputed lien or alleged and disputed security interest held by the alleged Pre-Petition Lender in respect of the purported PQPR Notes (as defined in the Motion) is valid, senior, enforceable, prior, perfected, or nonavoidable. Moreover, nothing herein shall prejudice the rights of any party-in-interest, including but not limited to the Debtor, any official committee appointed in the Chapter 11 Case or any other creditor, to challenge the validity, priority, enforceability, seniority, avoidability, perfection, or extent of any alleged and disputed lien or alleged and disputed security interest held by the alleged Pre-Petition Lender in respect of the purported PQPR Notes.

14. Final Cash Collateral Hearing: A further interim hearing on the Motion shall be held before this Court on December 19, 2022, at 3:00 p.m. Central time.

Signed: November 21, 2022


Christopher Lopez
United States Bankruptcy Judge



United States Bankruptcy Court
Southern District of TexasIn re:
Free Speech Systems LLC
DebtorCase No. 22-60043-cml
Chapter 11District/off: 0541-4
Date Rcvd: Nov 21, 2022User: ADIuser
Form ID: pdf002Page 1 of 4
Total Noticed: 16

The following symbols are used throughout this certificate:

Symbol	Definition
+	Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.
^	Addresses marked '^' were sent via mandatory electronic bankruptcy noticing pursuant to Fed. R. Bank. P. 9036.
#	Addresses marked '#' were identified by the USPS National Change of Address system as requiring an update. While the notice was still deliverable, the notice recipient was advised to update its address with the court immediately.

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Nov 23, 2022:

Recip ID	Recipient Name and Address
db	+ Free Speech Systems LLC, 3019 Alvin Devane Blvd. STE 300, Austin, TX 78741-7417
aty	Kyung Shik Lee, Shannon & Lee LLP, Pennzoil Place-Suite 1300, HOUSTON, TX 77027, UNITED STATES
aty	+ Shannon & Lee LLP, 700 Milam Street, STE 1300, Houston, TX 77002-2736
intp	+ Alex E Jones, c/o Jordan & Ortiz PC, 500 N Shoreline Blvd, Ste 900, Corpus Christi, TX 78401-0658
cr	+ David Wheeler, et al., c/o Cain & Skarnulis PLLC, 303 Colorado Street, Suite 2850, Austin, TX 78701-4653
cr	#+ Leonard Pozner, c/o McDowell Hetherington LLP, Attention: Avi Moshenberg, 1001 Fannin Street, Suite 2700 Houston, TX 77002-6774
cr	#+ Marcel Fontaine, c/o McDowell Hetherington LLP, Attention: Avi Moshenberg, 1001 Fannin, Suite 2700 Houston, TX 77002-6774
cr	#+ Neil Heslin, c/o McDowell Hetherington LLP, Attention: Avi Moshenberg, 1001 Fannin Street, Suite 2700 Houston, TX 77002-6774
cr	+ Reeves Law, PLLC, 702 Rio Grande St., Ste. 203, Austin, TX 78701-2720
cr	#+ Scarlett Lewis, c/o McDowell Hetherington LLP, Attention: Avi Moshenberg, 1001 Fannin Street, Suite 2700 Houston, TX 77002-6774
cr	+ Security Bank of Crawford, P.O. BOx 90, Crawford, Tx 76638-0090
cr	+ Travis County, c/o Jason A. Starks, P.O. Box 1748, Austin, TX 78767-1748
cr	#+ Veronique De La Rosa, c/o McDowell Hetherington LLP, Attention: Avi Moshenberg, 1001 Fannin Street, Suite 2700 Houston, TX 77002-6774

TOTAL: 13

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.

Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI). Electronic transmission is in Eastern Standard Time.

Recip ID	Notice Type: Email Address	Date/Time	Recipient Name and Address
cr	+ Email/PDF: acg.acg.ebn@aisinfo.com	Nov 21 2022 20:05:50	Ally Bank, c/o AIS Portfolio Services, LLC, 4515 N Santa Fe Ave. Dept. APS, Oklahoma City, OK 73118-7901
cr	+ Email/Text: lemaster@slolp.com	Nov 21 2022 19:55:00	PQPR Holdings Limited, LLC, c/o Streusand Landon Ozburn & Lemmon LLP, attn: Stephen Lemmon, 1801 S. Mopac Expressway, Suite 320, Austin, TX 78746-9817
cr	^ MEBN	Nov 21 2022 19:49:58	Texas Comptroller of Public Accounts, Revenue Acco, Christopher J. Dylla, P.O. Box 12548, Austin, TX 78711-2548

TOTAL: 3

BYPASSED RECIPIENTS

The following addresses were not sent this bankruptcy notice due to an undeliverable address, *duplicate of an address listed above, *P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

Recip ID	Bypass Reason	Name and Address
cr		ADP TotalSource, Inc.
intp		David Ross Jones
op		Marc Schwartz
op		Marc Schwartz
op		Schwartz Associates, LLC
op		Schwartz and Associates, LLC

District/off: 0541-4

Date Rcvd: Nov 21, 2022

User: ADIuser

Form ID: pdf002

Page 2 of 4

Total Noticed: 16

intp Shelby A Jordan
op W. Marc Schwartz

TOTAL: 8 Undeliverable, 0 Duplicate, 0 Out of date forwarding address

NOTICE CERTIFICATION

I, Gustava Winters, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Nov 23, 2022

Signature: /s/Gustava Winters

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on November 21, 2022 at the address(es) listed below:

Name	Email Address
Avi Moshenberg	on behalf of Creditor Neil Heslin avi.moshenberg@mhlpp.com patricia.flores@mhlpp.com
Avi Moshenberg	on behalf of Creditor Scarlett Lewis avi.moshenberg@mhlpp.com patricia.flores@mhlpp.com
Avi Moshenberg	on behalf of Creditor Leonard Pozner avi.moshenberg@mhlpp.com patricia.flores@mhlpp.com
Avi Moshenberg	on behalf of Creditor Marcel Fontaine avi.moshenberg@mhlpp.com patricia.flores@mhlpp.com
Avi Moshenberg	on behalf of Creditor Veronique De La Rosa avi.moshenberg@mhlpp.com patricia.flores@mhlpp.com
Bradley J. Reeves	on behalf of Creditor Reeves Law PLLC bradley.reeves@pillsburylaw.com
Christopher Dylla	on behalf of Creditor Texas Comptroller of Public Accounts Revenue Accounting Division bk-cdylla@oag.texas.gov, Sherri.Simpson@oag.texas.gov
Elizabeth Carol Freeman	on behalf of Trustee Melissa A Haselden efreeman@jw.com kgradney@jw.com;dtrevino@jw.com;jpupo@jw.com;JacksonWalkerLLP@jubileebk.net
Ha Minh Nguyen	on behalf of U.S. Trustee ha.nguyen@usdoj.gov
Jarrod B. Martin	on behalf of Creditor Neil Heslin jarrod.martin@chamberlainlaw.com Lara.Coleman@chamberlainlaw.com;atty_jmartin@bluestylus.com;ginger.davis@chamberlainlaw.com
Jarrod B. Martin	on behalf of Creditor Marcel Fontaine jarrod.martin@chamberlainlaw.com Lara.Coleman@chamberlainlaw.com;atty_jmartin@bluestylus.com;ginger.davis@chamberlainlaw.com
Jarrod B. Martin	on behalf of Creditor Leonard Pozner jarrod.martin@chamberlainlaw.com Lara.Coleman@chamberlainlaw.com;atty_jmartin@bluestylus.com;ginger.davis@chamberlainlaw.com
Jarrod B. Martin	on behalf of Creditor Veronique De La Rosa jarrod.martin@chamberlainlaw.com Lara.Coleman@chamberlainlaw.com;atty_jmartin@bluestylus.com;ginger.davis@chamberlainlaw.com
Jarrod B. Martin	on behalf of Creditor Scarlett Lewis jarrod.martin@chamberlainlaw.com Lara.Coleman@chamberlainlaw.com;atty_jmartin@bluestylus.com;ginger.davis@chamberlainlaw.com

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Page 3 of 4

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Jason Starks

on behalf of Creditor Travis County bkecf@traviscountytx.gov

Jayson B. Ruff

on behalf of U.S. Trustee US Trustee jayson.b.ruff@usdoj.gov

John D Malone

on behalf of Creditor Security Bank of Crawford myra@johnmalonepc.com myra@johnmalonepc.com

Joseph S.U. Bodoff

on behalf of Creditor ADP TotalSource Inc. jbodoff@rubinrudman.com

Kyung Shik Lee

on behalf of Debtor Free Speech Systems LLC kslee50@gmail.com Courtnotices@kasowitz.com

Kyung Shik Lee

on behalf of Attorney Kyung Shik Lee kslee50@gmail.com Courtnotices@kasowitz.com

Melissa A Haselden

mhaselden@haseldenfarrow.com
haseldenbankruptcy@gmail.com;mhaselden@ecf.axosfs.com;haselden.melissaa.r104367@notify.bestcase.com

Melissa Anne Haselden

on behalf of Trustee Melissa A Haselden mhaselden@haseldenfarrow.com
haseldenbankruptcy@gmail.com,haselden.melissaa.r104367@notify.bestcase.com

Michael P Ridulfo

on behalf of Other Prof. Schwartz and Associates LLC mridulfo@krcl.com, rcoles@krcl.com

Michael P Ridulfo

on behalf of Other Prof. Marc Schwartz mridulfo@krcl.com rcoles@krcl.com

Michael P Ridulfo

on behalf of Other Prof. W. Marc Schwartz mridulfo@krcl.com rcoles@krcl.com

Michael P Ridulfo

on behalf of Other Prof. Schwartz Associates LLC mridulfo@krcl.com, rcoles@krcl.com

R. J. Shannon

on behalf of Debtor Free Speech Systems LLC rshannon@shannonpllc.com
rshannon@shannonlellp.com;7044075420@filings.docketbird.com

R. J. Shannon

on behalf of Attorney Shannon & Lee LLP rshannon@shannonpllc.com
rshannon@shannonlellp.com;7044075420@filings.docketbird.com

Raymond William Battaglia

on behalf of Debtor Free Speech Systems LLC rbattaglia@outlook.com rwbreslove@gmail.com

Richard A. Cochrane

on behalf of Creditor Leonard Pozner rcochrane@akingump.com jlangmack@akingump.com

Richard A. Cochrane

on behalf of Creditor Veronique De La Rosa rcochrane@akingump.com jlangmack@akingump.com

Richard A. Cochrane

on behalf of Creditor Scarlett Lewis rcochrane@akingump.com jlangmack@akingump.com

Richard A. Cochrane

on behalf of Creditor Marcel Fontaine rcochrane@akingump.com jlangmack@akingump.com

Richard A. Cochrane

on behalf of Creditor David Wheeler et al. rcochrane@akingump.com, jlangmack@akingump.com

Richard A. Cochrane

on behalf of Creditor Neil Heslin rcochrane@akingump.com jlangmack@akingump.com

Ryan E Chapple

on behalf of Creditor David Wheeler et al. rchapple@cstrial.com, apprentice@cstrial.com

Shelby A Jordan

on behalf of Interested Party Alex E Jones cmadden@jhwclaw.com

Shelby A Jordan

on behalf of Interested Party Shelby A Jordan cmadden@jhwclaw.com

Stephen A Roberts

on behalf of Interested Party David Ross Jones sroberts@srobertslawfirm.com 1222805420@filings.docketbird.com

Stephen Wayne Lemmon

on behalf of Creditor PQPR Holdings Limited LLC lemmmon@slollp.com, mates@slollp.com

US Trustee

District/off: 0541-4

User: ADIuser

Page 4 of 4

Date Rcvd: Nov 21, 2022

Form ID: pdf002

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USTPRegion07.HU. ECF@USDOJ.GOV

TOTAL: 41